REMARKS

In response to the Office Action of September 29, 2004, claim 1 has been canceled and replaced by claim 12, certain of the other claims have been canceled, and other claims amended to better distinguish the present invention from the cited art. It is respectfully submitted that the amended claims clearly distinguish from the prior art and meet the other requirements for patentability.

Claims 1-11 were rejected under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter. The Examiner recognized that the invention provides useful, concrete and tangible results but holds that it is not within the scope of patentable ideas as set forth in 35 U.S.C. §101 because it is not ". . . within the technological arts".

35 U.S.C. defines patentable subject matter as encompassing ". . . process, machine, manufacture or composition of matter". The present invention is clearly directed toward a business method. In *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 47 USPQ2d 1596, the CAFC considered a lower court decision which had rejected a claim on the so-called "business method" exception to statutory subject matter.

> We take this opportunity to lay this ill-conceived exception to rest. Since its inception, the "business method" exception has merely represented the application of some general, but no longer applicable legal principal, perhaps arising out of the "requirement for invention" – which was eliminated by Section 103. Since the 1952 Patent Act, business methods have been, and should have been, subject to the same legal requirements for patentability as any other process or method.

State Street at 1603.

The requirement that the invention be within the technological arts is not contained in 35 U.S.C. §101 and the Examiner has not offered any citation for this requirement. However,

the claims all cover methods including physical cards provided by the financial intermediary to healthcare users having an account with the intermediary, for use with healthcare providers. It is accordingly respectfully solicited that the claims fully meet the requirements of 35 U.S.C. §101.

All of the claims have been rejected as being anticipated by Volz, David, "Alternative Care" either under 35 U.S.C. §102, or under 35 U.S.C. §103 in combination with certain secondary references.

Volz discloses a system in which a healthcare user may obtain membership in an entity which has negotiated discounted fees with a group of healthcare providers. Membership allows the healthcare user to apply to one of the participating healthcare providers for a discounted fee for a service. The healthcare provider then "estimates the total cost of services, including all physician visits and any necessary treatment or testing based on NAC's discounted rates". This quote is apparently provided directly to the healthcare user. If the healthcare user desires to obtain the quoted service from the healthcare provider, they must ". . . pay to NAC the full estimated amount two days prior to the service. NAC then takes its cut from that amount and reimburses the physician with the remainder within thirty days."

This method is distinctly different from the present claimed invention in a number of respects. Primarily, from the healthcare user's standpoint, with the NAC system (Volz) the healthcare user must fully pay for the services before they are performed. This payment is made to the intermediary who subsequently pays the healthcare provider. There is no "financing" of the services. Comparing the Volz method to a method defined by the present claims is like comparing a retail operation which sells, for example, automobiles, for full payment, with another entity that sells the vehicles on a time payment plan through use of a financial intermediary such as a bank. If all automobile sales in the United States were for cash, without a

financing intermediary, as defined in the claims of the present application, not very many cars would be sold.

Another difference between the present method, as claimed, and the method of Volz is the need to estimate the cost of the service and pay the full value of the estimate before the services are performed. This obviously imposes difficulty on both the healthcare provider in making an accurate estimate and the healthcare user who must overpay in the event that the estimate turns out to be too high. In the method of the present invention after the service is performed, the cost of the service is billed to the financial intermediary who subsequently bills the healthcare user, who pays the bill according to the credit terms established under its account with the financial intermediary.

Another important difference between the method of the present invention, as claimed, and the method of Volz, is that in the present invention, the healthcare provider extends credit for the service provided to the healthcare user, based on the commitment of the financial intermediary to pay for such service. No similar arrangement is involved with Volz.

Accordingly, the rejection of claim 1 (now canceled in favor of claim 12) and claim 4 as anticipated by Volz under 35 U.S.C. §102(a) is inapplicable to the claims as amended.

Claims 5 and 8 were rejected under 35 U.S.C. §103(a) as being unpatentable over Volz in view of Sanders, "Medical credit cards are an expensive Rx". Sanders apparently discloses a system in which a healthcare user might borrow money from a credit card company to pay the cost of healthcare treatment. There is no suggestion in Sanders of any involvement of the healthcare provider in the arrangement other than as a provider of the service and as a recipient of the money. The credit card of Sanders could apparently be used for any purpose and is not specifically applicable to healthcare. In view of the differences between the disclosure of Volz

and the invention of the present invention, as claimed, the combination with Sanders would not suggest the claimed invention to one of ordinary skill in the art. Together, they lack any suggestion of a credit card which could be accepted by a healthcare provider to allow the performance of healthcare services to a card bearer with subsequent billing by the healthcare provider to the intermediary financial company and subsequently billing by the intermediary finance entity to the healthcare user.

Claims 2 and 3 were rejected under 35 U.S.C. §103(a) as being unpatentable over Volz as applied to claim 1 in further view of information available at the website of SimpleCare. SimpleCare discloses an arrangement whereby healthcare users may access a website to locate healthcare providers contracting with the intermediary. However, none of these references contains a teaching or any suggestion of a system in which a healthcare user may contract with a financial intermediary to obtain a card and a contract which may be used to directly obtain services from a healthcare provider contracting with the financial intermediary, so that payment for the services is made by the intermediary and then subsequently billed to the user for payment.

Claims 6 and 7 were rejected under 35 U.S.C. §103(a) as being unpatentable over Volz and Sanders as applied to claim 5 in further view of SimpleCare. Additionally, claims 9 and 11 were rejected under 35 U.S.C. §103(a) in view of the same combination of references. Again, the comments made with respect to 6, 7 and 8 are applicable here; none of the references discloses the basic healthcare arrangement or suggests the combination of elements for achieving such combination.

Reconsideration and allowance are accordingly respectfully solicited.

Respectfully submitted,

Allen M. Krass,
Registration No. 18,277
Gifford, Krass, Groh, Sprinkle,
Anderson & Citkowski, P.C.
280 N. Old Woodward Ave., Suite 400
Birmingham, MI 48009-5394
(248) 647-6000

Attorney for Applicant

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Judith T. Lange